

Tokyo Gas Non-Operated Barnett Shale Acquisition

March 2021



Disclaimer

Forward Looking Statements

This presentation contains “forward-looking statements.” Such statements may relate to capital expenditures, drilling and exploitation activities, production efforts and sales volumes, proved reserves, operating and administrative costs, future operating or financial results, cash flow and anticipated liquidity, business strategy and potential property acquisitions. These forward-looking statements are generally accompanied by words such as “estimated”, “projected”, “potential”, “anticipated”, “forecasted” or other words that convey the uncertainty of future events or outcomes. Although we believe the expectations and forecasts reflected in these and other forward-looking statements are reasonable, we can give no assurance they will prove to have been correct. These statements are based on our current plans and assumptions and are subject to a number of risks and uncertainties as further outlined in our Forms 10-K and 10-Q. Therefore, the actual results may differ materially from the expectations, estimates or assumptions expressed in or implied by any forward-looking statement and we undertake no obligation to update these estimates for events after this presentation.

Cautionary Note Regarding Oil and Gas Reserves

Reserve engineering is a process of estimating underground accumulations of oil and natural gas that cannot be measured in an exact way. The accuracy of any reserve estimate depends on the quality of available data, the interpretation of such data and price and cost assumptions made by reservoir engineers. In addition, the results of drilling, testing and production activities may justify revisions of estimates that were made previously. If significant, such revisions would change the schedule of any further production and development drilling. Unless otherwise indicated, reserve and PV-10 estimates shown herein are based on a reserve report prepared by DeGolyer and MacNaughton, Evolution’s independent petroleum engineers, as of June 30, 2020 and were prepared using SEC pricing based on the unweighted first day of the month arithmetic average price of oil and natural gas over the 12 months prior to the determination date.

Tokyo Gas Acquisition

Key Highlights



Highly attractive valuation based on PDP



Significant free cash flow generation supportive of dividend



Accretive to all key financial and operating metrics



Mature, shallow decline asset provides extended returns to shareholders



Meaningfully increases reserve size and production volumes



Provides commodity balance and geographic diversity

Tokyo Gas Acquisition Overview

Transaction Summary & Highlights

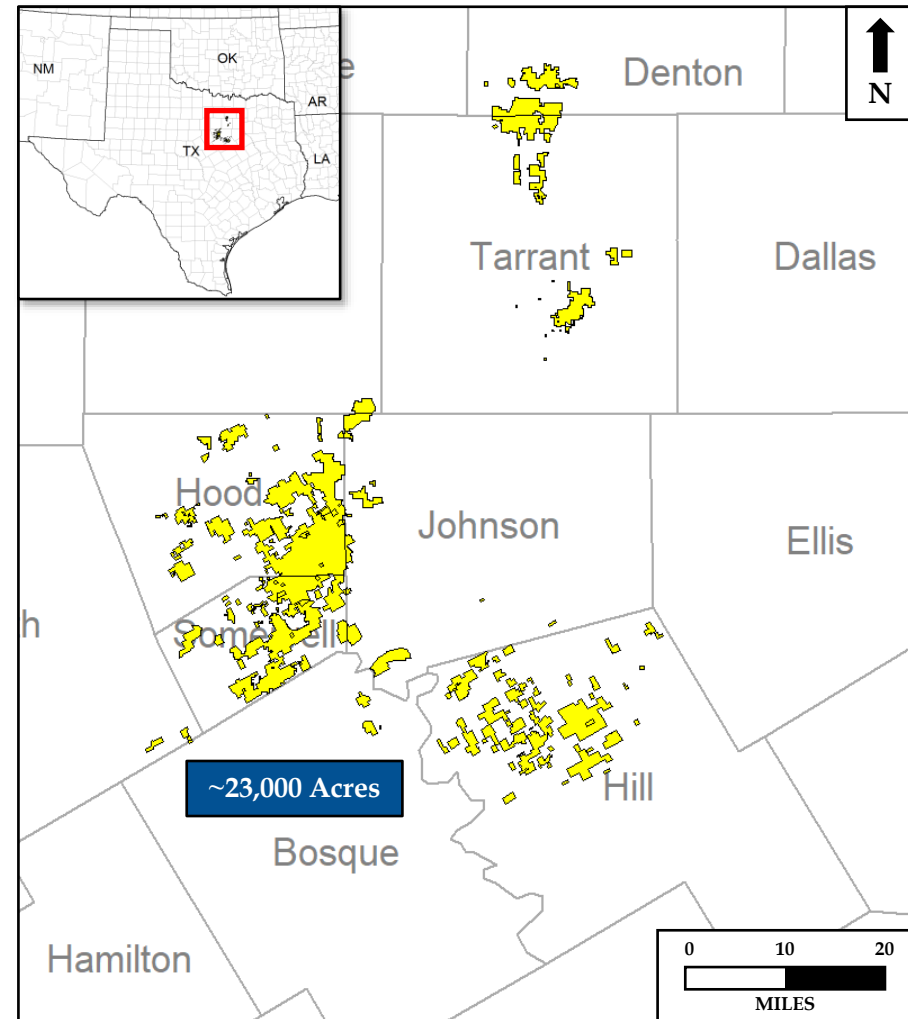
Transaction Summary

- Evolution has agreed to acquire a non-operated interest in Barnett Shale natural gas assets from Tokyo Gas Americas (“Tokyo Gas”) for \$23.25MM, subject to customary purchase price adjustments
- Effective date of January 1, 2021 with expected closing in April 2021

Asset Highlights

- Third-party operated legacy Barnett Shale asset
- Long-lived PDP reserves*, < 10% base decline
- ~30% natural gas liquids content
- Majority of wells completed between 2007-2010 with potential upside workover opportunities
- Acreage primarily in rural areas allowing for more efficient operations

Est. Current Net Production	~22.0 MMCFD, ~1,300 Bbls NGL
Acreage	~23,000 net acres, 100% HBP
Average WI % / Avg. NRI %	17% / 14%
Pricing	Access to premium Gulf Coast gas markets
Commodity Split	~70% Gas, ~30% Liquids (NGLs)
PDP Reserves*	~70 BCF & ~5 MMbbls
PDP Reserves/Production (R/P)*	~ 9 years



* Based on Tokyo Gas NSAI report as of 12/31/2020 utilizing weighted average prices of \$51.41/Bbl for oil and \$2.74/Mcf for gas.

A Note from the CEO

Evolution analyzes and aggregates oil, gas, and natural gas liquids assets on an economic value basis as opposed to the more traditional energy equivalent basis, particularly as the company steps into natural gas production. When aggregating oil, natural gas liquids and natural gas volumes, Evolution believes that focusing on energy equivalence can disconnect energy equivalent volumes from value.

We believe that this asset is a substantial addition to our portfolio, but want to clearly and accurately communicate our view of its relative value to our existing high quality oil assets.

The next few slides describe how both Energy ratios and Value ratios are calculated and present how Evolution analyzes the pro forma production and reserves that support our dividend.

Evolution is focused on cash flow, and this acquisition is based on our positive long-term view of natural gas and how it compliments our existing long life, oil assets.

The recovery of commodity prices to above pre-pandemic levels should also be noted.

Barrels of Oil Equivalent: Energy

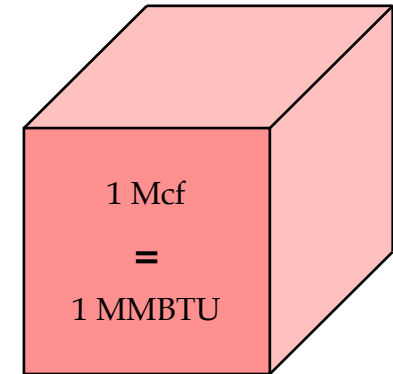
6:1:1 - Industry Norm for Reporting

- One barrel of oil is equivalent to 6 Million British Thermal Units (MMBTU)
- One thousand cubic feet (Mcf) of Natural Gas is equivalent to 1 MMBTU
 - It takes 6 Mcf to equal the energy of 1 barrel of oil (**6:1 ratio**)
- One barrel of NGL is equivalent to approximately 3.8 MMBTU
 - It takes ~1.58 barrels of NGL to equal the energy of 1 barrel of oil (**1.58:1 ratio**)
 - **NOTE:** Industry reports this ratio as 1:1
- An NGL barrel is comprised of 42 gallons of six components, a typical Barnett Shale profile*:
 - 57.3% Ethane* - C₂
 - 22.1% Propane - C₃
 - 7.4% Normal Butane - C_{4N}
 - 3.6% Isobutane - C_{4I}
 - 9.6% Mix of Pentane & Heavier - C₅₊

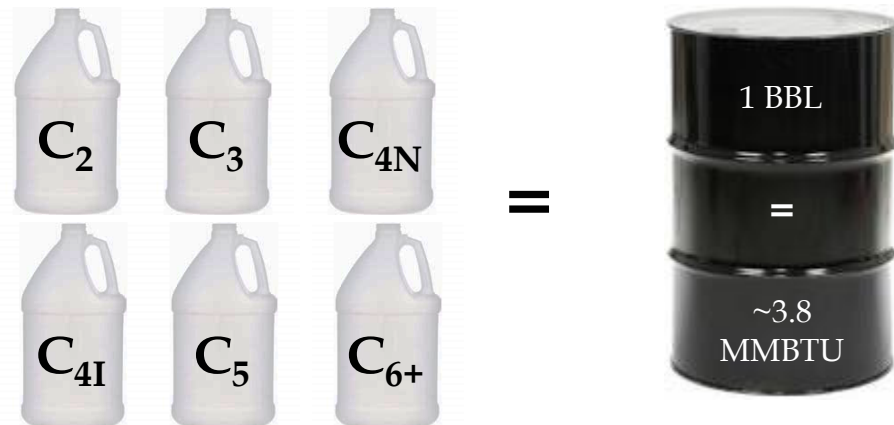
OIL



GAS



NGLs

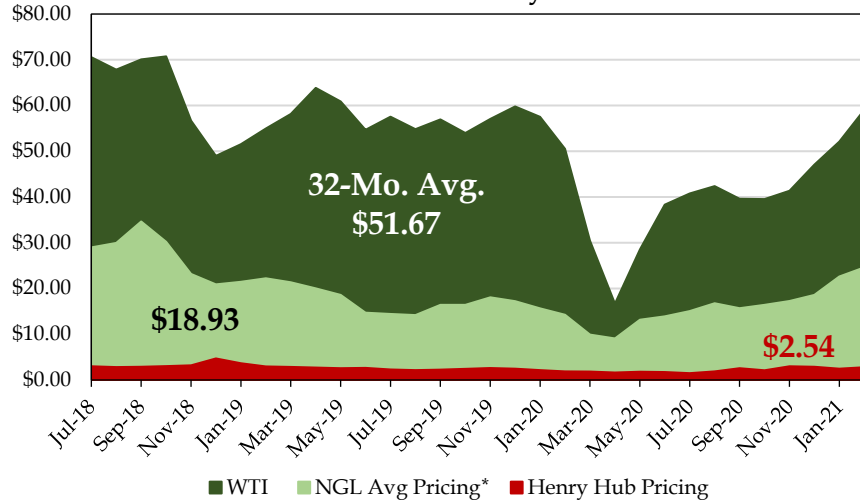


*The profile shown represents a typical Barnett Shale NGL stream before C₂ rejection. At certain times of the year, methane prices are higher and ethane is rejected to be sold with the methane stream.

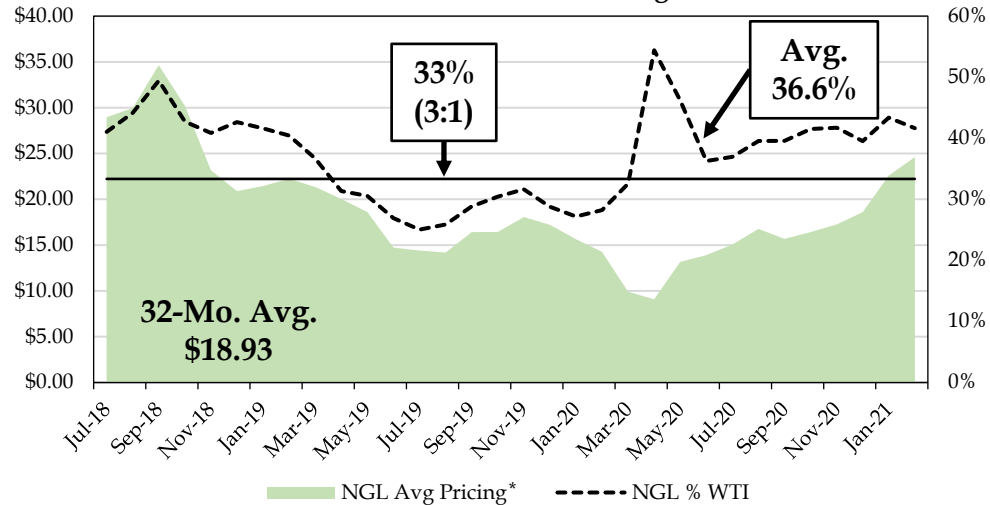
Barrels of Oil Equivalent: Value

20:3:1 - EPM's Economic Value Consideration

Historical Commodity Prices



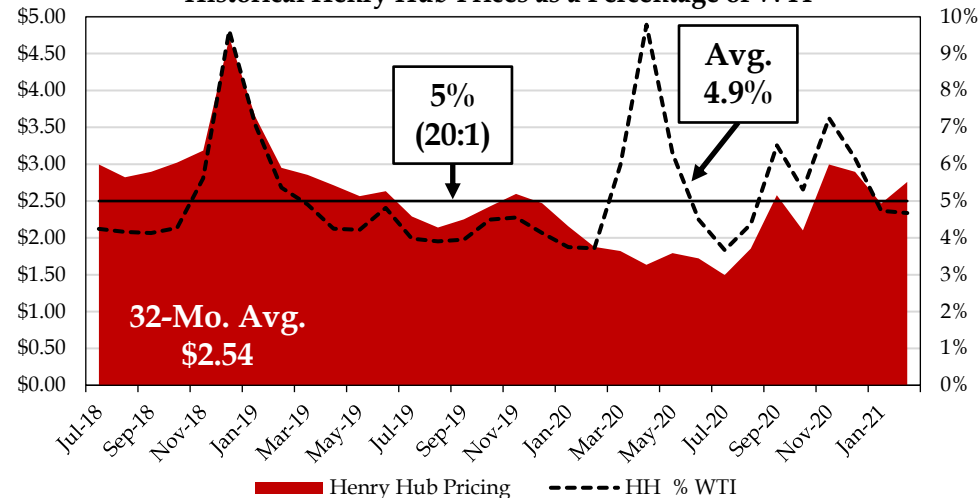
Historical NGL Prices as a Percentage of WTI



$$\frac{\text{NGL}}{\text{Oil}} = \frac{\$18.93}{\$51.67} = 36.6\% (\sim 3:1)$$

$$\frac{\text{Gas}}{\text{Oil}} = \frac{\$2.54}{\$51.67} = 4.9\% (\sim 20:1)$$

Historical Henry Hub Prices as a Percentage of WTI



*NGL pricing is a weighted average of a theoretical Barnett Shale NGL stream including ethane, propane, normal butane, isobutane, pentane, and heavier components.

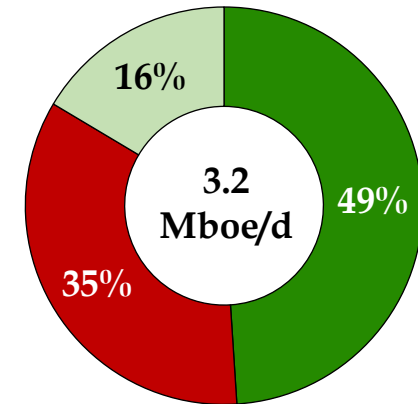
EPM Pro Forma Portfolio Overview

20:3:1 Value Ratio – Balanced Dividend Support

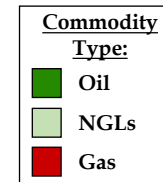
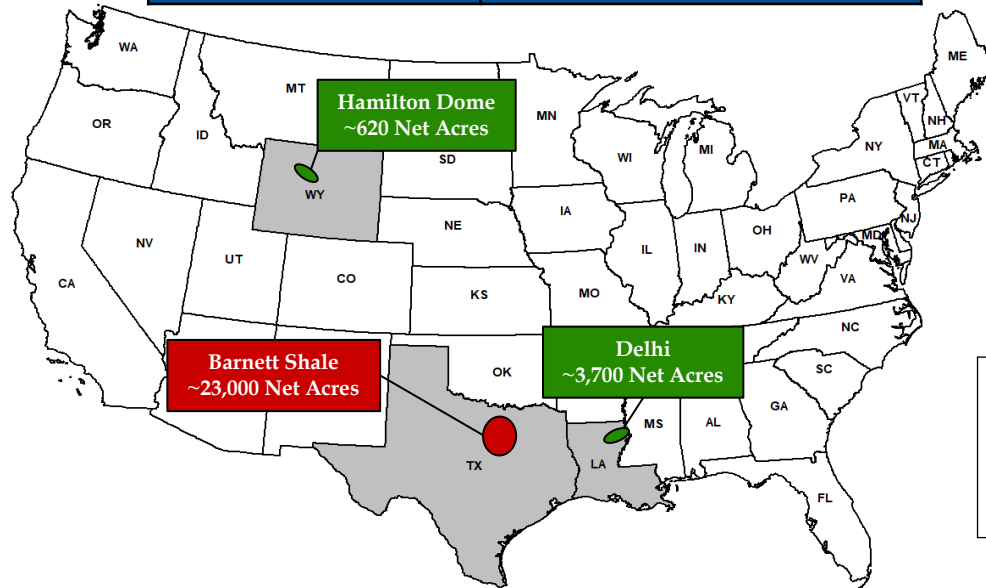
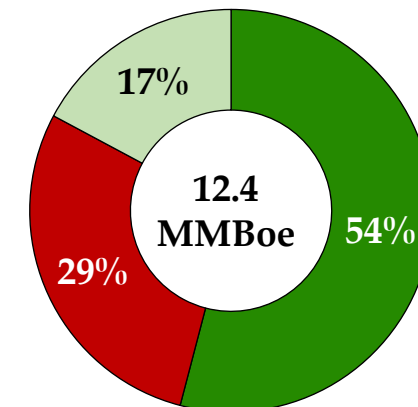
The acquisition enhances the existing asset base with cash flow and support for EPM's long-term dividend strategy

Commodity	Pro Forma Daily Production ¹
Oil	~1,550 BOPD
NGL	~1,550 Bbl/d
Gas	~22.0 MMCFD
Total (20:3:1)	~3.2 Mboe/d

Production²








PDP Reserves (MMBoe)³



- 1) EPM average net production 2Q21; Tokyo Gas approximate current production; Gas conversion ratio of 20:1; NGL ratio of 3:1
- 2) Gas conversion ratio of 20:1; NGL ratio of 3:1
- 3) EPM Reserves as of 6/30/2020 using 6/30/2020 SEC prices; Tokyo Gas Reserves based on NSAI report as of 12/31/2020 utilizing weighted average prices of \$51.41/Bbl for oil and \$2.74/Mcf for gas; Gas conversion ratio of 20:1; NGL ratio of 3:1.

Tokyo Gas Summary

Acquisition Meets Stated EPM Key Criteria

EPM Objectives	Commentary	Tokyo Gas Acquisition
Accretive to Free Cash Flow and Dividend	<ul style="list-style-type: none"> • Expected accretion in operating cash flow per share, earnings per share and EBITDA per share • Incremental cash flow supportive of long-term dividend growth 	
Increased Scale at Attractive Valuation	<ul style="list-style-type: none"> • Acquisition based on discount to PDP PV10 at attractive metrics • Substantially increases reserves and production • Additional scale without incremental G&A improves per unit costs 	
Longed-lived Reserves with Minimal Capital Requirements	<ul style="list-style-type: none"> • Base decline of < 10% and PDP Reserves/Production (R/P) of ~9 years • Incremental drilling & workover opportunities available to participate in to support future production based on economics and not to hold acreage 	
Maintain Pristine Balance Sheet	<ul style="list-style-type: none"> • Transaction funded with a combination of predominantly cash on hand and modest borrowings under existing credit facility • Maintain net leverage of < 1.0x annual EBITDA 	
Commodity & Geographic Diversity	<ul style="list-style-type: none"> • Pro forma production mix is 65% liquids/35% gas on a value basis • Barnett Shale is in the stable Texas regulatory environment with access to premium Gulf Coast markets • Entry into Barnett provides future bolt-on acquisition opportunities 	

Contact Information

Thank you for your interest in
Evolution Petroleum Corporation
(NYSE American: EPM)

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